



PUBLIC NOTICE

FEDERAL COMMUNICATIONS COMMISSION
445 TWELFTH STREET, S.W.
WASHINGTON, D.C. 20554

DA 05-762

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Released: March 24, 2005

COMMISSION SEEKS COMMENT ON APPLICATIONS FOR CONSENT TO TRANSFER OF CONTROL FILED BY VERIZON COMMUNICATIONS INC. AND MCI, INC.

WC Docket No. 05-75

PLEADING CYCLE ESTABLISHED

Comments/Petitions Due: May 9, 2005

Responses/Oppositions to Petitions Due: May 24, 2005

Verizon Communications Inc. ("Verizon") and MCI, Inc. ("MCI") (collectively, "the Applicants") have filed a series of applications pursuant to sections 214 and 310(d) of the Communications Act of 1934, as amended¹ and section 2 of the Cable Landing License Act.² The Applicants seek Commission approval of the transfer of control to Verizon of licenses and authorizations held directly and indirectly by MCI. This transfer of control will result from a proposed acquisition whereby MCI will become a wholly-owned subsidiary of Verizon.³

MCI is a global provider of communications services. The company offers long-distance service, high-capacity connections, and a variety of other voice and data services through MCI, Inc. as well as its various subsidiaries.⁴ MCI owns, operates, monitors and

¹ 47 U.S.C. §§ 214, 310(d).

² *See generally* An Act Relating to the Landing and Operation of Submarine Cables in the United States, 47 U.S.C. §§ 34-39 ("Cable Landing License Act").

³ These transfer of control applications pertain to domestic and international section 214 authorizations; cable landing licenses; Part 22 paging and radiotelephone licenses, general aviation air-ground radio service licenses, and 931-MHz paging licenses; Part 24 PCS narrowband licenses; Part 25 satellite earth station licenses; Part 90 private land mobile radio service licenses; and Part 101 Common Carrier Fixed Point-to-Point Microwave licenses.

⁴ Verizon Communications Inc. and MCI, Inc., Application for Transfer of Control, WC Docket No. 05-75, at 2 (filed March 11, 2005) (*Verizon-MCI Application*).

maintains extensive communications networks, with facilities in countries and cities throughout North America, Latin America, Europe, Africa, and the Asia-Pacific region. Verizon is a holding company that owns operating subsidiaries that provide a range of communications services in the United States and select foreign countries. The company's operating subsidiaries offer local telephone service in 29 states, as well as broadband, nationwide long distance and other services. Verizon also has investments in international wireline and wireless operators, primarily in the Americas and Europe, as well as being the majority owner of Verizon Wireless, which serves wireless voice and data subscribers across the United States.

These transfer of control applications were filed in connection with a proposed acquisition whereby Verizon will acquire MCI. At closing, a wholly-owned subsidiary of Verizon will be merged with and into MCI. MCI will be the surviving corporation, thereby becoming a wholly-owned subsidiary of Verizon. MCI shareholders will receive 0.4062 shares of Verizon common stock and \$1.50 for each MCI share owned. In addition, MCI shareholders will receive a special dividend payment of \$4.50 per share at that time. MCI will continue to own the stock of its subsidiaries, and MCI and its subsidiaries will continue to hold all of the FCC authorizations that they hold prior to the merger. Verizon will become the new parent of MCI, resulting in the indirect assignment of licenses or transfer of direct control of the FCC authorizations.⁵

SECTION 214 AUTHORIZATIONS

A. *Part 63 – Domestic Section 214 Authority*

The Applicants have filed an application for consent to the transfer of control of domestic section 214 authority from MCI to Verizon in connection with the transaction described above.⁶

B. *Part 63 – International Section 214 Authorizations*

The following applications for consent to the transfer of control of MCI's international section 214 authorizations to Verizon have been assigned the file numbers listed below.

<u>File No.</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
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⁵ *Verizon-MCI Application* at ii.

⁶ The applicants have designated the domestic section 214 application as the lead application in these applications for transfer of control. *See Verizon-MCI Application* at Exhibit 1 (Public Interest Statement). For a list of MCI subsidiaries holding domestic section 214 authorizations, *see Verizon-MCI Application* at Exhibit 2 (MCI Subsidiaries Holding Domestic 214 Authority) and Letter from Curtis L. Groves, Director, Federal Policy and Advocacy, MCI, Inc., and Michael E. Glover, Senior Vice President & Deputy General Counsel, Verizon, to Marlene H. Dortch, Secretary, Federal Communications Commission, WC Docket No. 05-75 (filed March 23, 2005) at Attach. (Revised Exhibit 2).

<u>File No.</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
ITC-T/C-20050314-00095	MCI WorldCom Communications, Inc.	ITC-93-065, <i>et al.</i>
ITC-T/C-20050314-00096	MFS Globenet, Inc.	ITC-98-622, <i>et al.</i>
ITC-T/C-20050314-00097	MCI, Inc.	ITC-214-19961212-00626, <i>et al.</i>
ITC-T/C-20050314-00098	MCI WorldCom International, Inc.	ITC-214-19961003-00486, <i>et al.</i>
ITC-T/C-20050314-00099	MCI WorldCom Network Services, Inc.	ITC-87-184, <i>et al.</i>
ITC-T/C-20050314-00100	MCI International, Inc.	ITC-89-155, <i>et al.</i>
ITC-T/C-20050311-00110	MCI Communications Corporation	ITC-90-128, <i>et al.</i>

CABLE LANDING LICENSE APPLICATIONS

The following applications for consent to the transfer of control of MCI's interests in submarine cable landing licenses to Verizon have been assigned the file numbers listed below.⁷

<u>File No.</u>	<u>Authorization Holder</u>	<u>Authorization Number</u>
SCL-T/C-20050317-00006	MCI, Inc.	SCL-LIC-19970421-00002, <i>et al.</i>
SCL-T/C-20050317-00007	MCI Communications Corporation	SCL-92-002, <i>et al.</i>
SCL-T/C-20050317-00008	MCI International, Inc.	SCL-92-002, <i>et al.</i>
SCL-T/C-20050317-00009	MFS Globenet, Inc.	SCL-LIC-19971014-00009

⁷ Most of the submarine cables are consortium cables. MCI holds its interests in each of the submarine cable landing licenses (except for MFS Globenet, Inc.'s interest in Southern Cross) as part of the relevant consortium.

SECTION 310(d) APPLICATIONS

Part 25 – Satellite Earth Station Authorization Applications

The following applications for consent to the transfer of control of satellite earth station authorizations from MCI to Verizon have been assigned the file numbers listed below.

<u>File No.</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
SES-T/C-20050314-00321	MCI WorldCom International, Inc.	E881473, <i>et al.</i>
SES-T/C-20050311-00338	MCI WorldCom Network Services, Inc.	E000204, <i>et al.</i>

Parts 22, 24, 90 and 101 – Wireless Radio Services Applications

The following applications for consent to the transfer of control of wireless radio services licenses from MCI to Verizon have been assigned the file numbers listed below.

<u>File No.</u>	<u>Licensee</u>	<u>Lead Call Sign</u>
0002071888	SkyTel Corp.	KNKG783, <i>et al.</i>
0002071884	MCI WorldCom Communications, Inc.	WPNU610, <i>et al.</i>
0002071881	MCI WorldCom Network Services, Inc.	WAX65, <i>et al.</i>
0002071879	Intermedia Communications LLC	KCL96, <i>et al.</i>

***EX PARTE* STATUS OF THIS PROCEEDING**

Pursuant to section 1.1200(a) of the Commission's rules,⁸ the Commission may adopt modified or more stringent *ex parte* procedures in particular proceedings if the public interest so requires. We announce that this proceeding will be governed by permit-but-disclose *ex parte* procedures that are applicable to non-restricted proceedings under section 1.1206 of the Commission's rules.⁹

Parties making oral *ex parte* presentations are directed to the Commission's statement re-emphasizing the public's responsibility in permit-but-disclose proceedings and are reminded that memoranda summarizing the presentation must contain the presentation's substance and not merely list the subjects discussed.¹⁰ More than a one- or two-sentence description of the views and arguments presented is generally required.¹¹ Other rules

⁸ 47 C.F.R. § 1.1200(a).

⁹ *Id.* § 1.1206.

¹⁰ See Commission Emphasizes the Public's Responsibilities in Permit-But-Disclose Proceedings, *Public Notice*, 15 FCC Rcd 19945 (2000).

¹¹ See 47 C.F.R. § 1.1206(b)(2).

pertaining to oral and written presentations are set forth in section 1.1206(b) as well.¹² We urge parties to use the Electronic Comment Filing System (“ECFS”) to file *ex parte* submissions.¹³

Ex Parte Meeting Schedule. Staff will be available for meetings on May 4 and 5, 2005, and May 23, 2005, in case interested parties wish to discuss any issues that they intend to raise in comments or reply comments, as applicable, in support of, or in opposition to, the application. The purpose of these meetings is to give interested parties an opportunity to inform staff of such issues prior to filing their written comments or reply comments. Parties who wish to schedule meetings with the Bureau should call Myrva Charles, Competition Policy Division, Wireline Competition Bureau at (202) 418-1506.

GENERAL INFORMATION

The transfer of control applications referenced herein have been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission’s rules or policies. Final action on these applications will not be taken earlier than thirty-one (31) days following the date of this Public Notice.¹⁴

Interested parties must file comments or petitions to deny no later than **May 9, 2005**.¹⁵ Persons and entities that file comments or petitions to deny become parties to the proceeding. They may participate fully in the proceeding, including seeking access to any confidential information that may be filed under a protective order,¹⁶ seeking

¹² *Id.* § 1.1206(b).

¹³ See discussion *infra*.

¹⁴ See 47 U.S.C. § 309(b).

¹⁵ We allow additional time from the date of this Public Notice for initial comments in light of the complexity of this proceeding and we may require additional information from the applicants as necessary to our analysis. See, e.g., Informal Timeline for Consideration of Applications for Transfers or Assignments of Licenses or Authorizations Relating to Complex Mergers, available at <http://www.fcc.gov/transaction/timeline.html> (last modified June 14, 2004) (noting that the Commission may utilize a 45 day comment cycle for complex mergers); *Commission Seeks Comment on Application for Consent to Transfer of Control Filed by SBC Communications Inc. and AT&T Corp.*, WC Docket No. 05-65, Public Notice, DA 05-656 (rel. March 11, 2005) (adopting a 45 day due date for comments); *SBC Communications, Inc. and Ameritech Corporation Seek FCC Consent for a Proposed Transfer of Control and SBC and Ameritech*, CC Docket No. 98-141, Public Notice, DA 98-1492 (rel. July 30, 1998) (same); *GTE Corporation and Bell Atlantic Corporation Seek FCC Consent for a Proposed Transfer of Control and Commission Seeks Comment on Proposed Protective Order filed by GTE and Bell Atlantic*, CC Docket No. 98-184, Public Notice, DA 98-2035 (rel. Oct. 8, 1998) (same).

¹⁶ See *Verizon Communications Inc. and MCI, Inc. Applications for Approval of Transfer of Control*, WC Docket No. 05-75, Order, DA 05-647 (rel. March 11, 2005). All questions relating to access to confidential information submitted by Verizon should be directed to La Tanya Corpening, Verizon, 1515 North Courthouse Road, Suite 500, Arlington, VA 22201, (703) 351-3117 or Mark Schneider, Jenner & Block LLP, 601 13th Street, NW, Washington. DC 20005, (202) 639-6000.

reconsideration of decisions, and filing appeals of a final decision to the courts. Responses or oppositions to such pleadings must be filed no later than **May 24, 2005**. All filings concerning matters referenced in this Public Notice should refer to **DA 05-762** and **WC Docket No. 05-75**, as well as the specific file numbers of the individual applications or other matters to which the filings pertain.

Under the Commission's current procedures for the submission of filings and other documents,¹⁷ submissions in this matter may be filed electronically (*i.e.*, though ECFS) or by hand delivery to the Commission's Massachusetts Avenue location.

- **If filed by ECFS**,¹⁸ comments shall be sent as an electronic file via the Internet to <http://www.fcc.gov/e-file/ecfs.html>. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the applicable docket number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.
- **If filed by paper**, the original and four copies of each filing must be filed by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail (although we continue to experience delays in receiving U.S. Postal Service mail). The Commission's contractor, Natek, Inc., will receive hand-delivered or messenger-delivered paper filings for the Commission's Secretary at 236 Massachusetts Avenue, N.E., Suite 110, Washington, D.C. 20002. The filing hours at this location are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743. U.S. Postal Service first-class mail, Express Mail, and Priority Mail should be addressed to 445 12th Street, S.W., Washington, D.C. 20554. All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

In addition, one copy of each pleading must be sent to each of the following:

1. The Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone 1-800-378-3160, or via e-mail www.bcpweb.com;

¹⁷ See *Implementation of Interim Electronic Filing Procedures for Certain Commission Filings*, Order, 16 FCC Rcd 21483 (2001); see also *FCC Announces a New Filing Location for Paper Documents and a New Fax Number for General Correspondence*, Public Notice, 16 FCC Rcd 22165 (2001); *Reminder: Filing Locations for Paper Documents and Instructions for Mailing Electronic Media*, Public Notice, 18 FCC Rcd 16705 (2003).

¹⁸ See *Electronic Filing of Documents in Rulemaking Proceedings*, GC Docket No. 97-113, Report and Order, 13 FCC Rcd 11322 (1998).

2. Gary Remondino, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C143, Washington, D.C. 20554; e-mail: Gary.Remondino@fcc.gov;
3. Gail Cohen, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C111, Washington, D.C. 20554; e-mail: Gail.Cohen@fcc.gov;
4. Bill Dever, Competition Policy Division, Wireline Competition Bureau, 445 12th Street, S.W., Room 5-C266, Washington, D.C. 20554; e-mail: William.Dever@fcc.gov;
5. Mary Shultz, Wireless Telecommunications Bureau, 1270 Fairfield Road, Gettysburg, PA 17325, e-mail: Mary.Shultz@fcc.gov;
6. Jeff Tobias, Wireless Telecommunications Bureau, 445 12th Street, S.W., Room 3-A432, Washington, D.C. 20554; e-mail: Jeff.Tobias@fcc.gov;
7. Erin McGrath, Wireless Telecommunications Bureau, 445 12th Street, S.W., Room 6338, Washington, D.C. 20554; e-mail: Erin.McGrath@fcc.gov;
8. David Krech, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-A664, Washington, D.C. 20554; e-mail: David.Krech@fcc.gov;
9. Kathleen Collins, Policy Division, International Bureau, 445 12th Street, S.W., Room 7-A515, Washington, D.C. 20554; e-mail: Kathleen.Collins@fcc.gov;
10. JoAnn Lucanik, International Bureau, 445 12th Street, S.W., Room 6-A660, Washington, D.C. 20554; e-mail: JoAnn.Lucanik@fcc.gov;
11. Jim Bird, Office of General Counsel, 445 12th Street, S.W., Room 8-C824, Washington, D.C. 20554; e-mail: Jim.Bird@fcc.gov; and
12. Jonathan Levy, Office of Strategic Planning and Policy Analysis, 445 12th Street, S.W., Room 7-C362, Washington, D.C. 20554; e-mail: Jonathan.Levy@fcc.gov.

Copies of the applications and any subsequently-filed documents in this matter may be obtained from Best Copy and Printing, Inc., Portals II, 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone 1-800-378-3160, or via e-mail www.bcpweb.com. The applications and any associated documents are also available for public inspection and copying during normal reference room hours at the following Commission office: FCC Reference Information Center, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. The domestic section 214 application also is available electronically through the Commission's ECFS, which may be accessed on the Commission's Internet website at <http://www.fcc.gov>. The international section 214 applications as well as applications filed under Part 25 of the Commission's rules are also available electronically through the Commission's IBFS, which may be accessed on the Commission's Internet website. In addition, applications filed under Parts 22, 24, 90, and 101 of the Commission's rules are available electronically through ULS, which also may be accessed on the Commission's Internet website. Additional information regarding the transaction will be available on the FCC's Office of General Counsel's website, <http://www.fcc.gov/ogc>, which will contain a fully indexed, unofficial listing and electronic copies of all materials in this docket. Alternate

formats of this public notice (computer diskette, large print, audio recording, and Braille) are available to persons with disabilities by contacting Brian Millin at (202) 418-7426 (voice), (202) 418-7365 (TTY), or send an e-mail to access@fcc.gov.

For further information, contact Gail Cohen, Competition Policy Division, Wireline Competition Bureau, at (202) 418-0939; Bill Dever, Competition Policy Division, Wireline Competition Bureau, at (202) 418-1578; Mary Shultz, Wireless Telecommunications Bureau, at (717) 228-2656; Jeff Tobias, Wireless Telecommunications Bureau, at (202) 418-1617; Erin McGrath, Wireless Telecommunications Bureau, at (202) 418-2042; David Krech, International Bureau, at (202) 418-7443; Kathleen Collins, International Bureau, at (202) 418-1474; JoAnn Lucanik, International Bureau, at (202) 418-0873; or Jim Bird, Office of General Counsel, at (202) 418-7802.

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